

Pathways Reading Guide M4 Section 6

Please read Module 4, section 6 in your e-book, pp. 30 – 35 (Click on Module 4, then “text.”)

Be sure to *read with a pencil in hand* and attempt the examples before you read the solution given. Take notes of important definitions and ideas as you read. I don't expect you to have 100% comprehension of everything in the section, but spending significant time trying to understand the main ideas will assist you as you work on the Investigation during our next class.

- Read Example 17 carefully, then work to understand each piece of the formula given in the box with the definition of compound interest on p. 32. What does the r represent? The n ? What does $\frac{r}{n}$ represent? $1 + \frac{r}{n}$? $\left(1 + \frac{r}{n}\right)^n$? $\left(1 + \frac{r}{n}\right)^{nt}$? You will be expected to know this come quiz or test time.
- What is the *Annual Percentage Yield*?
- Study Example 21 on p. 34. Be able to explain to someone how to compare investment plans.

The video on p. 35 gives an excellent summary of the section.